

Free Care

Number 2/July 1999

Answering your questions about the
Massachusetts Uncompensated Care Pool

Notes

This newsletter is intended to answer questions about Free Care eligibility, and to help hospitals and community health centers understand the new regulation, 114.6 CMR 10.00. If you have questions about free care eligibility, please contact the Division of Health Care Finance and Policy at 617-988-3222.

Partial Free Care Deductibles

There is only one partial free care deductible per family per year. If only one family member is approved at one provider, it is the *provider's* responsibility to track the patient deductible. If more than one family member is approved (whether at the same provider or at different providers), or if the patient is approved at more than one provider, it is the *patient's* responsibility to track the deductible and to provide documentation to the provider when it has been reached.

Rental Income

Rental income is calculated by taking the gross amount that the applicant receives in rental income and deducting from it any mortgage payments, insurance premiums, property taxes, and water or sewer payments. The remaining amount is the applicant's net rental income. For example, an applicant receives \$24,000 annually in rental income. She also pays \$1,200 per month for a mortgage on the property, \$100 per month in property insurance, \$200 per month in property taxes, and \$100 in water and sewer expenses. After these deductions, her net annual rental income is \$4,800. She must provide documentation of the expenses associated with owning the property. Furthermore, if the applicant occupies part of the rental property, the amount that can be deducted must be prorated. For example, if the applicant owns a two-family home, and lives in one apartment and rents the other, she may deduct from her rental income only half of the mortgage, insurance premiums, property taxes, and water or sewer payments for the property.

Documentation Requirements

All of the forms of documentation listed in Appendix B of *The Free Care Application: A Guide for Acute Hospitals and Community Health Centers* are acceptable documentation of income and residency. When requesting documentation from applicants, providers must consider the priority given to each form of documentation. For example, when reporting income, applicants must first be asked to provide two weeks' worth of pay stubs. These should be recent, but do not need to be consecutive. A longer time period may be used if two weeks' worth is not enough to be sufficiently representative of the applicant's income (for example, if the applicant is a seasonal worker). If applicants cannot comply with this request, they should be asked for a signed statement from their employer. *Only if* applicants cannot supply either of these two forms of documentation should the provider request a copy of their most recent tax return or W-2, or a signed affidavit attesting to their income. A tax return is not a required part of a free care application, but rather an alternative that may be used when other forms of documentation are unavailable.

Emergency Aid to the Elderly, Disabled and Children (EAEDC)

EAEDC patients who are applying for free care to pay for balances prior to their MassHealth enrollment date are required to complete a condensed free care application, but they are not required to sign the form. The provider must also verify the patient's EAEDC eligibility, and attach a copy of this verification to the application. The combination of a valid temporary EAEDC card and a REVS tape stating "Recipient not found" is acceptable documentation. Other forms of verification are also acceptable, such as a copy of the EAEDC card and a fax from DMA. The provider must ensure that the patient is (or was) not covered by MassHealth on the date of service that is being billed to the Uncompensated Care Pool.

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Healthy Start

As of June 11, 1999, Healthy Start eligibility was expanded to include women up to 225% of the Federal Poverty Income Guidelines. A woman whose income is from 201% to 225% of the FPIG is eligible for partial free care for medically necessary services not covered by Healthy Start, provided that she completes a condensed free care application and presents a valid Healthy Start card. Women with income in this range will have a red star in the upper right hand corner of their Healthy Start card. When these women apply for free care, providers will need to obtain their income information from Healthy Start in order to calculate their deductibles. To get this information, call Nicole Watson at 617-624-6026.

Free Care Notes
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 **Are you the correct contact person at your site for this information? Are your name and address correct?**
Please note any changes directly on this label and send to the address above or fax to Dorothy Barron at (617) 727-7662.

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CenterCare

New CenterCare cards are being introduced that will indicate whether a CenterCare patient has signed the Division's Assignment of Rights statement as part of his or her CenterCare application. If the patient signs the Assignment of Rights, the health center will check and initial a box labeled "FC" on the back of the card. If this box is checked and initialed, it is not necessary for the patient to complete and sign a condensed free care application at the hospital. A copy of the card (front and back) is sufficient. If the box is not checked, the patient must complete and sign a condensed free care application, and the hospital should check and initial the box.